

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2347 - SB 2195

March 16, 2009

SUMMARY OF BILL: Authorizes Community Development Stimulus Grants for the purpose of providing economic assistance to local governmental entities or other local economic development initiatives to ensure that economic growth continues in communities across the state and quality of life programs and services continue to exist during the economic downturn.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – The fiscal impact of this bill cannot be determined due to multiple unknown factors. However, it is reasonable to expect that an appropriation of funds exceeding \$17,350,000, either from state funds or from monies received pursuant to the American Recovery and Reinvestment Act of 2009, would be required to award certain municipalities across the state one-time grants.

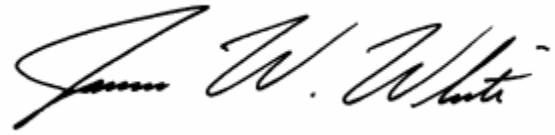
Assumptions:

- No funds shall be obligated or expended pursuant to Community Development Stimulus Grants unless such funds are specifically appropriated by the General Appropriations Act.
- According to the Department of Economic and Community Development, there are 347 municipalities in Tennessee.
- The fiscal impact of this bill is dependent upon multiple unknown factors such as the number of municipalities that will request grants, the amount of funding appropriated for the purpose of making such grants, the number of grants awarded, the amount of each awarded grant, and whether or not any monies received pursuant to the American Recovery and Reinvestment Act of 2009 could be utilized for this purpose.
- A precise fiscal estimate for this bill cannot be determined due to the extent of these unknown factors. However, assuming a minimum average grant of \$50,000 per municipality, an appropriation of at least

\$17,350,000 would be required ($347 \times \$50,000 = \$17,350,000$). This further assumes that such grants are considered one-time grants.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/rnc